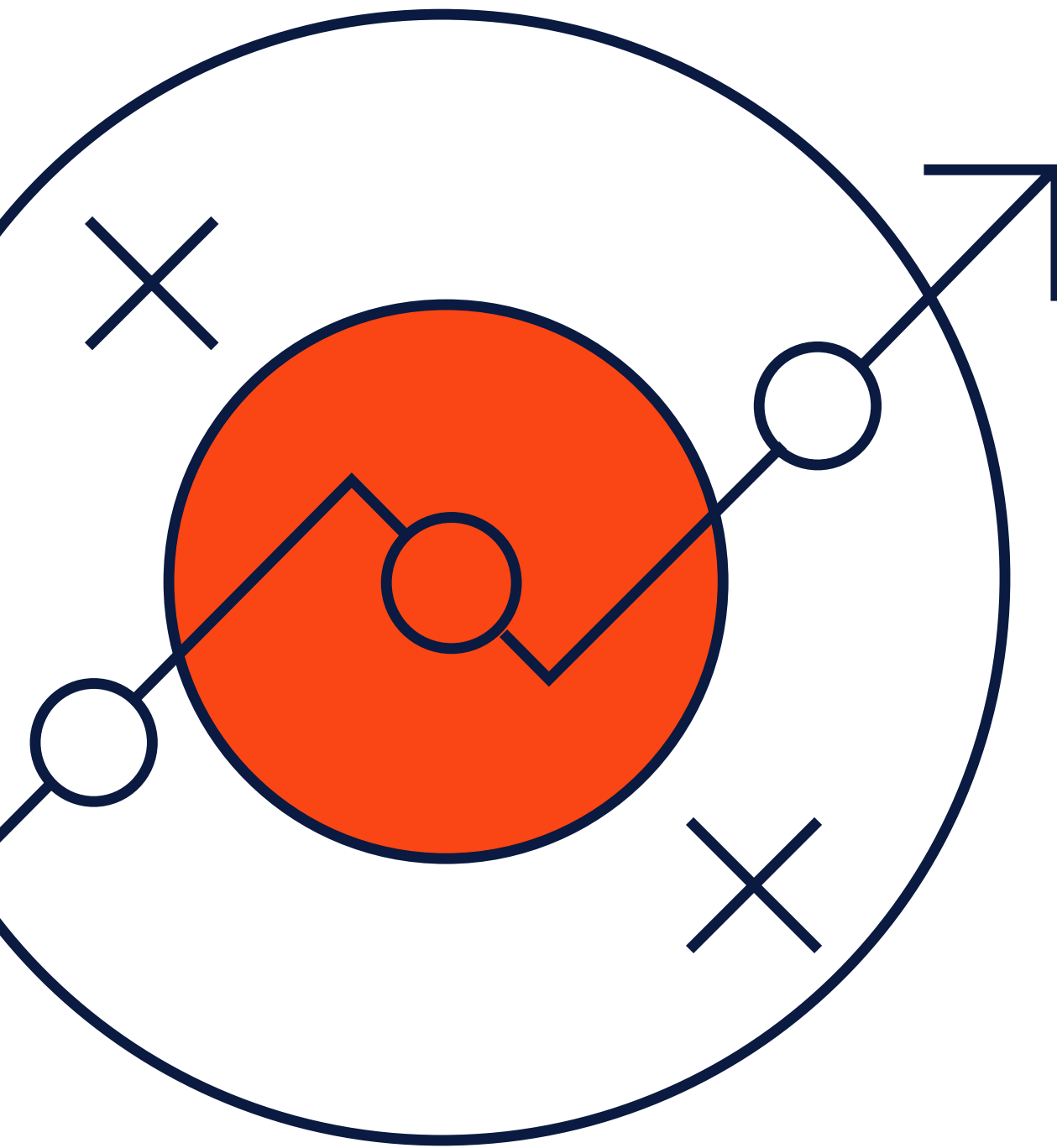# Beyond Now®

The playbook for thriving SMB-CSP relationships

Report 2

Who are the SMBs of today?

In our last paper, 'CSPs: it's time to reacquaint yourselves with today's SMBs', we illuminated the small and medium businesses (SMBs) of today. SMBs are not just an amorphous mass of potential customers that are interested in devices, minutes and data. Today's SMBs are more sophisticated adopters and willing buyers of advanced technology services and products than most assume.

Equipped with lessons learned from previous crises, SMBs already make the connection between technology adoption and business resiliency. They plan to increase investment in technology in the immediate-to-near future, despite economic turbulence.

And regardless of their industry, SMBs share similar expectations and challenges when it comes to implementing and operationalizing technology. But in order to thrive, they need solutions specific to their needs. And this represents a significant opportunity for CSPs to generate B2B growth, only if they can step up and capture a leading role in supporting SMBs with the digitalization of their businesses.

However, to date, CSPs have avoided going deep into the SMB market due to the inherent complexity of serving such a diverse segment. It was perceived as easier to offer them generic, highly repeatable core telco offerings. But our research shows this is not enough.

This playbook goes a step further, shedding light on how CSPs can nurture SMBs' positive relationships with technology. We'll focus on the need to understand the starting position for those who want to serve SMBs and aim to connect the dots to offer a bridge between SMBs' expectations and what CSPs need to do to achieve a viable business case and growth. This requires looking at the SMB market potential in the context of CSPs' abilities to attract, creatively cost and develop scalable solutions through partnerships that meet SMB needs.

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Recapping report one: Savvy tech customers that plan to increase their technology investments
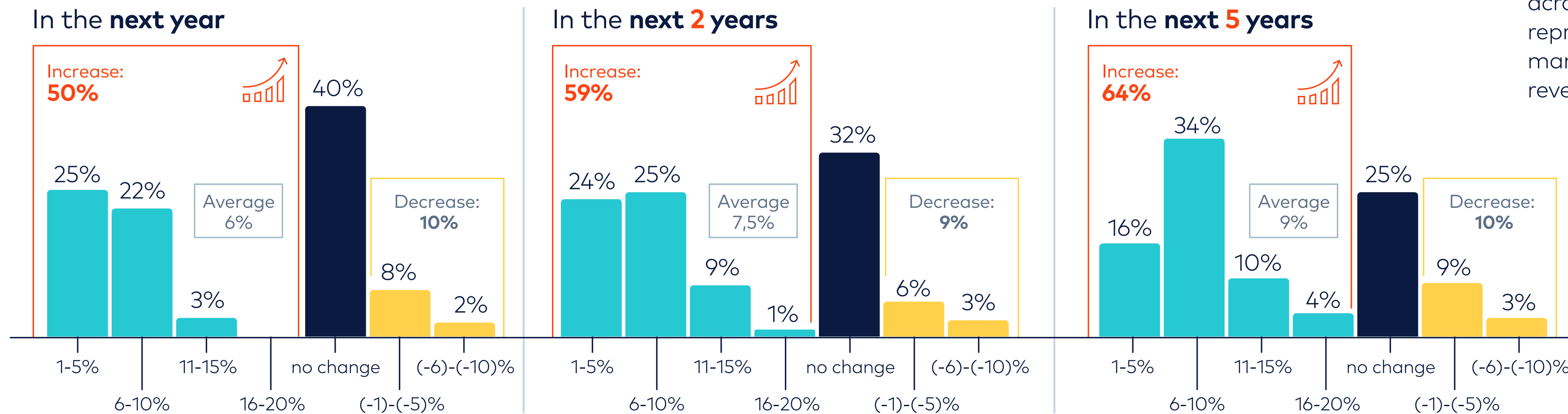
SMBs back their sophisticated understanding of technology with investment. And it's important to note, this is against the backdrop of impending global recession. On average, SMBs currently invest 8% of their annual revenues in technology solutions, with 74% spending between 6%-15%. But critically, they plan for that investment to increase. In the next year, half of SMBs will increase their technology spend by an average of 6%. In the next two years, 59% will increase technology investments by an average of 7.5%. And in the next five years, 64% expect to boost technology spend by an average of 9%. This data was similar for all sectors surveyed across the different geographies. This represents a $1.42 trillion (Analysys Mason) market opportunity for CSPs exploring B2B revenue growth.

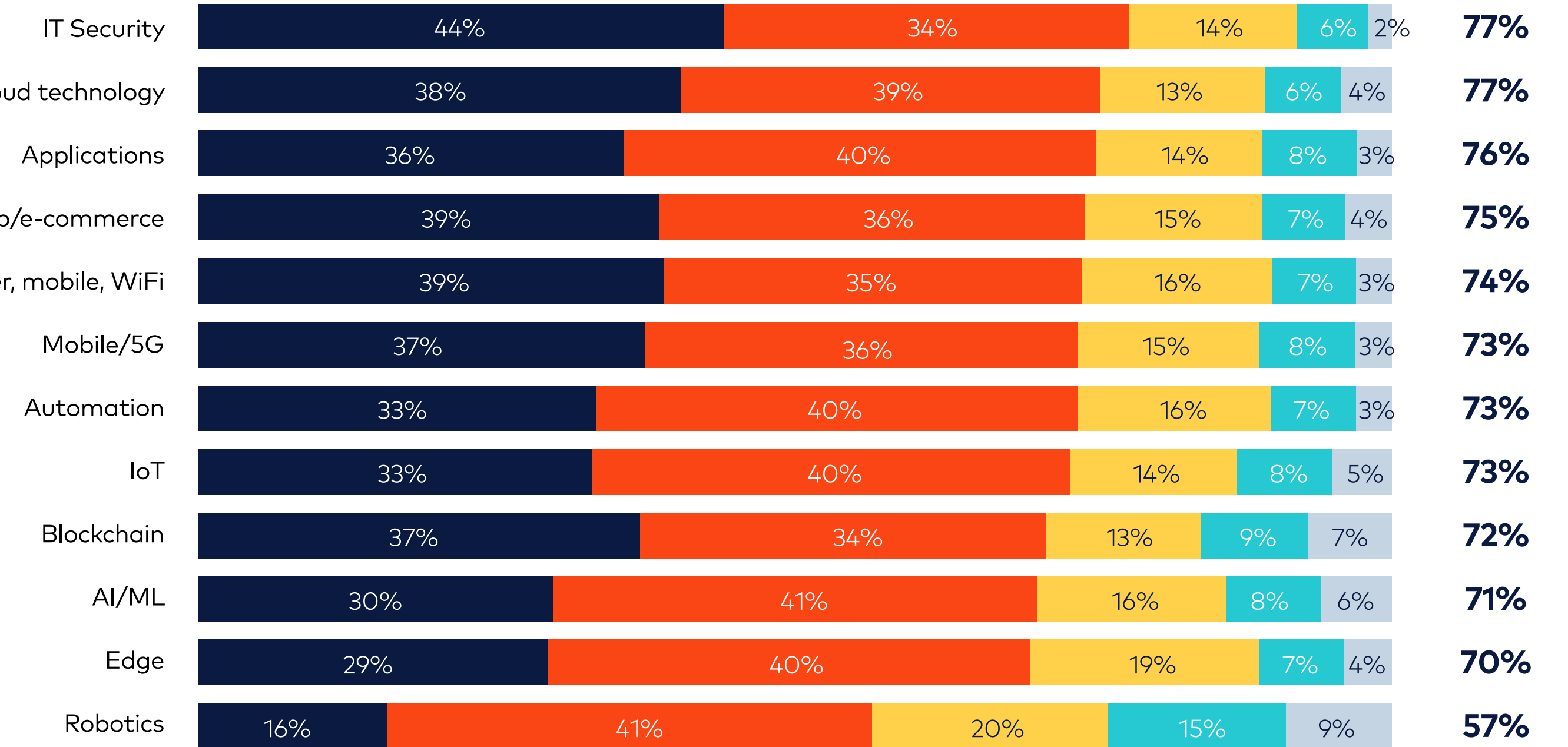## Anticipated change in level of investment in ICT and technology

In the **next year**

Increase: **50%**

Average 6%

Decrease: **10%**

- 25% — 1-5%
- 22% — 6-10%
- 3% — 11-15%
- 16-20%
- 40% — no change
- 8% — (-1)-(-5)%
- 2% — (-6)-(-10)%

In the **next 2 years**

Increase: **59%**

Average 7,5%

Decrease: **9%**

- 24% — 1-5%
- 25% — 6-10%
- 9% — 11-15%
- 1% — 16-20%
- 32% — no change
- 6% — (-1)-(-5)%
- 3% — (-6)-(-10)%

In the **next 5 years**

Increase: **64%**

Average 9%

Decrease: **10%**

- 16% — 1-5%
- 34% — 6-10%
- 10% — 11-15%
- 4% — 16-20%
- 25% — no change
- 9% — (-1)-(-5)%
- 3% — (-6)-(-10)%

How do you expect the amount you invest in ICT and technology to change in future?

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SMBs also understand and recognize the potential business impact of a huge range of bleeding edge technologies, including Artificial Intelligence (AI) and Machine Learning (ML), the blockchain, Edge computing and robotics. Understandably, 77% of SMBs perceive that IT security and cloud technology will deliver strong or significant value. Those are closely followed by applications (76%), ecommerce (75%), connectivity (74%), 5G, automation and IoT (all 73%). Notably, however, almost three quarters of SMBs recognize the potential value of more nascent technologies to their businesses: blockchain (72%), AI/ML (71%), Edge (70%). Even robotics is viewed by more than half of SMBs (57%) as having demonstrated significant potential value to their businesses, unlocking new use cases in their respective sectors.

Value technology can bring to SMBs

Strong/significant value (4/5)

Technology	5 - Significant value	4	3	2	1 - No/minimal value	Strong/significant value (4/5)
IT Security	44%	34%	14%	6%	2%	**77%**
Cloud technology	38%	39%	13%	6%	4%	**77%**
Applications	36%	40%	14%	8%	3%	**76%**
Online shop/e-commerce	39%	36%	15%	7%	4%	**75%**
Network services - Fiber, mobile, WiFi	39%	35%	16%	7%	3%	**74%**
Mobile/5G	37%	36%	15%	8%	3%	**73%**
Automation	33%	40%	16%	7%	3%	**73%**
IoT	33%	40%	14%	8%	5%	**73%**
Blockchain	37%	34%	13%	9%	7%	**72%**
AI/ML	30%	41%	16%	8%	6%	**71%**
Edge	29%	40%	19%	7%	4%	**70%**
Robotics	16%	41%	20%	15%	9%	**57%**

Legend: ■ 5 - Significant value ■ 4 ■ 3 ■ 2 ■ 1 - No/minimal value

How much value do you believe the following technologies can bring to your business?

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We might expect this to be the view of large enterprises, but SMBs are also looking to exploit the benefits of these technologies. With CSPs currently undergoing the transition from traditional telcos to technology companies, SMBs represent a rich vein of potential revenue, with a customer base that has its finger on the pulse of technology evolution.
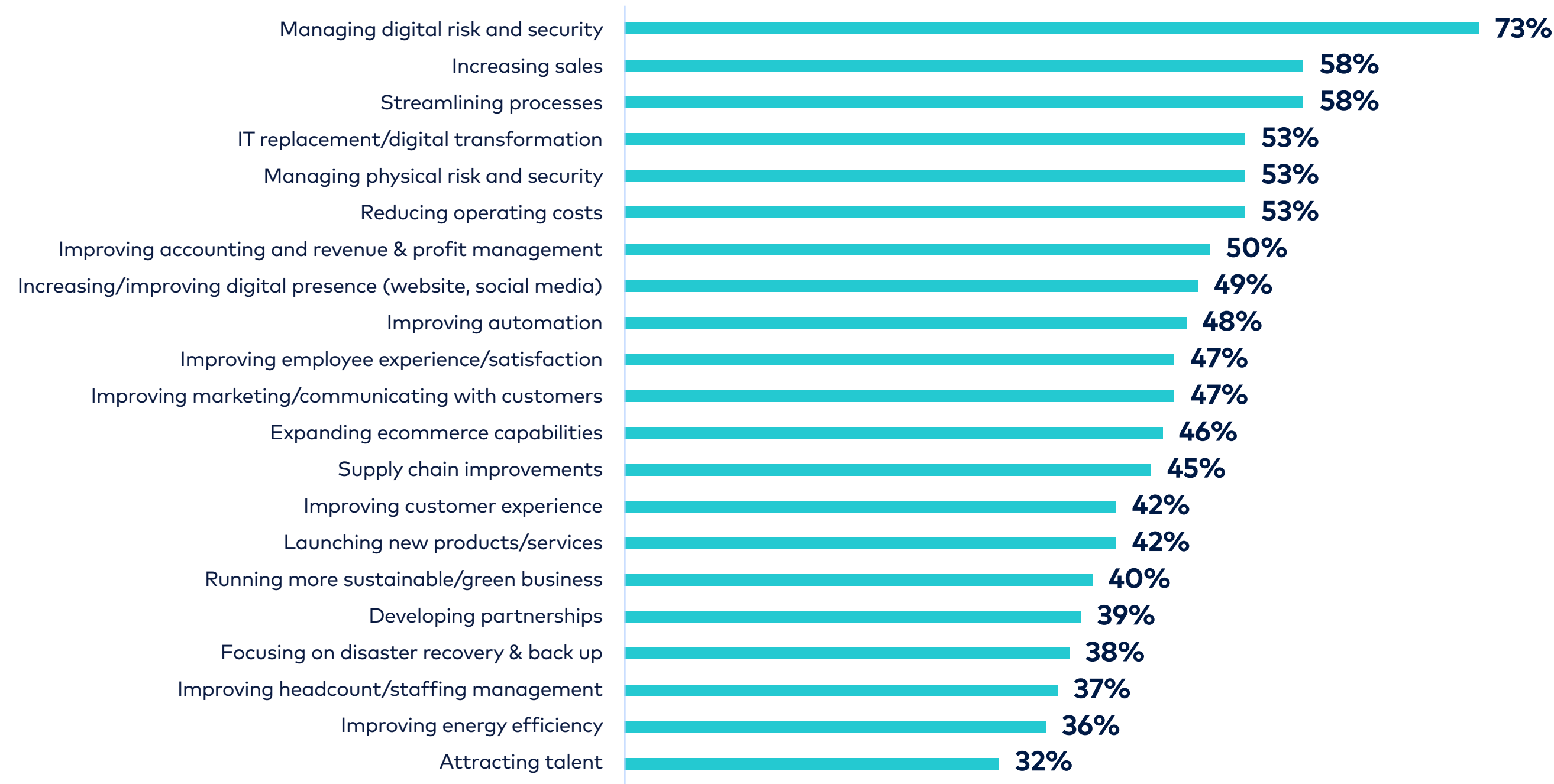
However, it's not all plain sailing for SMBs on their quests for efficiency and operational improvements. Cost of solutions (50%), a lack of internal skills (44%), time to look at new solutions (39%) and integrating different systems (34%) are all significant constraints that limit their abilities to use technology solutions. Only 1% of SMBs say that there are no barriers preventing them from using technology to succeed.

But today's SMBs aren't going to let that stop them. They're holding out for a hero. And despite the economic reality of a recession, SMBs make the connection between technology and business resiliency. They are clearly spending big on technology – significantly more than CSPs are primed to win with device and connectivity packages. But CSPs will need to act quickly. With AltNets, energy companies and even banks targeting SMBs with technology solutions, the competition, and the urgency to take action has increased.

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Six keys to creating thriving SMB lines of business

1 Simultaneous problem solving

Areas in which ICT can help with achieving priorities

Area	%
Managing digital risk and security	73%
Increasing sales	58%
Streamlining processes	58%
IT replacement/digital transformation	53%
Managing physical risk and security	53%
Reducing operating costs	53%
Improving accounting and revenue & profit management	50%
Increasing/improving digital presence (website, social media)	49%
Improving automation	48%
Improving employee experience/satisfaction	47%
Improving marketing/communicating with customers	47%
Expanding ecommerce capabilities	46%
Supply chain improvements	45%
Improving customer experience	42%
Launching new products/services	42%
Running more sustainable/green business	40%
Developing partnerships	39%
Focusing on disaster recovery & back up	38%
Improving headcount/staffing management	37%
Improving energy efficiency	36%
Attracting talent	32%

In which of these areas do you feel ICT can help you in achieving your business priorities?

SMBs are no different from enterprises when it comes to their need to simultaneously deal with core business problems and priorities. They have clear growth ambitions while contending with employee retention or customer complaint issues. What's critical, is that SMBs align business resiliency with their adoption of technology solutions, but they aren't looking for one technology solution to solve one problem at a time.

Their challenges are numerous and SMBs have given their needs equal priority on their agendas. SMBs see technology as capable of achieving a diverse list of priorities including managing digital risk and security (73%), increasing sales (58%) and streamlining processes (58%), driving digital transformation (53%), managing physical risk and security (53%) and reducing operational costs (53%).

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The old CSP model of one bundle at a time won't offer the diversity in problem solving that make technology solutions attractive to SMB customers. Nor will it provide the scale to build a viable business model for taking SMB solutions to market that are, critically, repeatable across industry sectors. SMBs face real problems that can only be solved with multiple technology solutions that address their specific business needs. Simply bundling connectivity with cloud and security and expecting SMBs to figure it out for themselves won't be enough to capitalize on this lucrative market opportunity.

While there is commonality between business challenges and what technology solutions can solve across sectors, there is an expectation that these solutions will be developed with industry context and an understanding of different sector needs in mind. For example, increasing sales for a farmer involves access to markets, supermarkets and brokers. Whereas for a medical diagnostics clinic, it involves building a network of doctors and hospitals for patient referrals. The silver lining for CSPs is that once a solution has been developed for a sector around a specific business need, it can be applied to other SMBs operating in the same sector.

With a plethora of challenges and a disconnected portfolio of technology services and products, SMBs need a CSP that can alleviate their technology management headaches, resource, and talent issues and offer multiple solutions to multiple business problems across multiple sectors.

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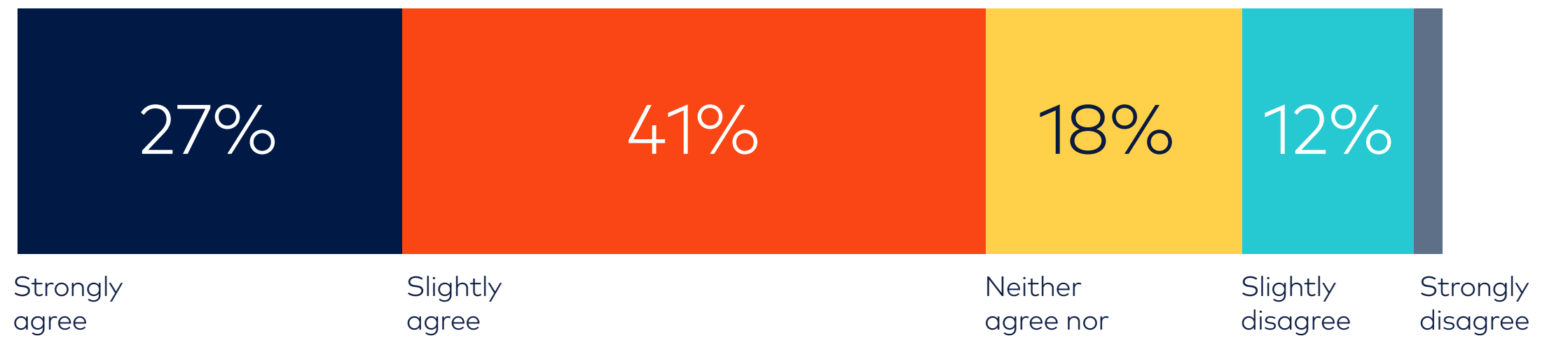# 2 One platform to support them all

SMBs' issues are exacerbated by having to manage multiple technology providers. This creates an environment in which SMBs are left to coordinate suppliers and integrate technology services on top of their efforts to focus on their core businesses. So, how highly would SMBs value a single platform that could service all their technology needs? In short – a lot. 78% of SMBs, in fact.

But, if such a platform were available and met their needs, how likely would SMBs be to consider placing all their technology requirements with a single supplier? Well, 15% are unlikely to, 20% are on the fence, but 65% of SMBs are likely to consider switching. That creates an enormous potential market for CSPs to eliminate SMB challenges of managing multiple technology suppliers through a single platform.

A single platform that serves all technology requirements allows SMBs to focus on their business priorities. While CSPs are in an ideal position to become that single platform provider, it requires deeper change to their position, business model and often internal processes. CSPs should stop thinking about themselves as service providers and instead consider themselves orchestrators, connecting buyers with suppliers.

The role of orchestrator means CSPs need to bring together specialist technology providers and sector experts in a collaborative ecosystem to support each other with the co-creation and co-selling of solutions around SMB challenges. CSPs must develop models where they have an end-to-end, joint go-to-market proposition with their partners to sell to SMBs. Demand

We would value a single platform that could serve all our ICT requirements

Strongly agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Strongly disagree
27%	41%	18%	12%	

To what extent do you agree or disagree with the following statements

for multiple solutions simultaneously means that speed and simple processes for selling, buying and fulfillment across partners in this single platform, are key factors defining the likelihood of this platform's success.

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3 🔑 SMBs prefer digital channels

Using digital channels are a prerequisite for CSPs who want to serve SMBs at scale. They give CSPs the ability to reduce cost of sales while serving such big and diverse segments. Often the first resistance will be the fact that SMBs rely heavily on assisted channels such as call centres and sales agents. However, this has changed at speed. SMBs today, like many other customers, are digitally native and digital is their first point of exploration. According to our findings, digital channels are already SMBs' preferred channel. Thirty-six percent, or some 156,000,000 SMBs worldwide, prefer purchasing ICT solutions digitally, and this is a number that will continue to grow. 22% prefer working with a sales representative, 19% by phone and 16% in store. 8% report that it depends on the type of purchase.

Obviously assisted channels are still used by many SMBs and there is work to be done to convince them to trust digital as their primary means of engagement. But this

is not such a significant hurdle for CSPs to navigate. The trend is clear, and this playbook outlines steps that CSPs can take to accelerate digital channel adoption.

Positively, the vast majority of CSPs already have SMB sales teams, call centres and established store networks, so signposting a digital platform for technology purchasing and helping SMBs become comfortable with it is not out of reach. This heritage will be an asset for CSPs when targeting SMBs with digital channels. CSPs will need to combine the digital maturity of SMBs with their desire to buy technology solutions through a single platform.

For CSPs looking to grow their business the message is clear: SMB digital marketplaces are the way forward. Digital marketplaces enable CSPs to provide a breadth of offerings at scale while also giving them the efficiency and lower cost of sale that is needed to build a viable business case.

Preferred method for purchasing ICT solutions

Sales representative	By phone	In store	Online / digital	It depends
22%	19%	16%	36%	8%
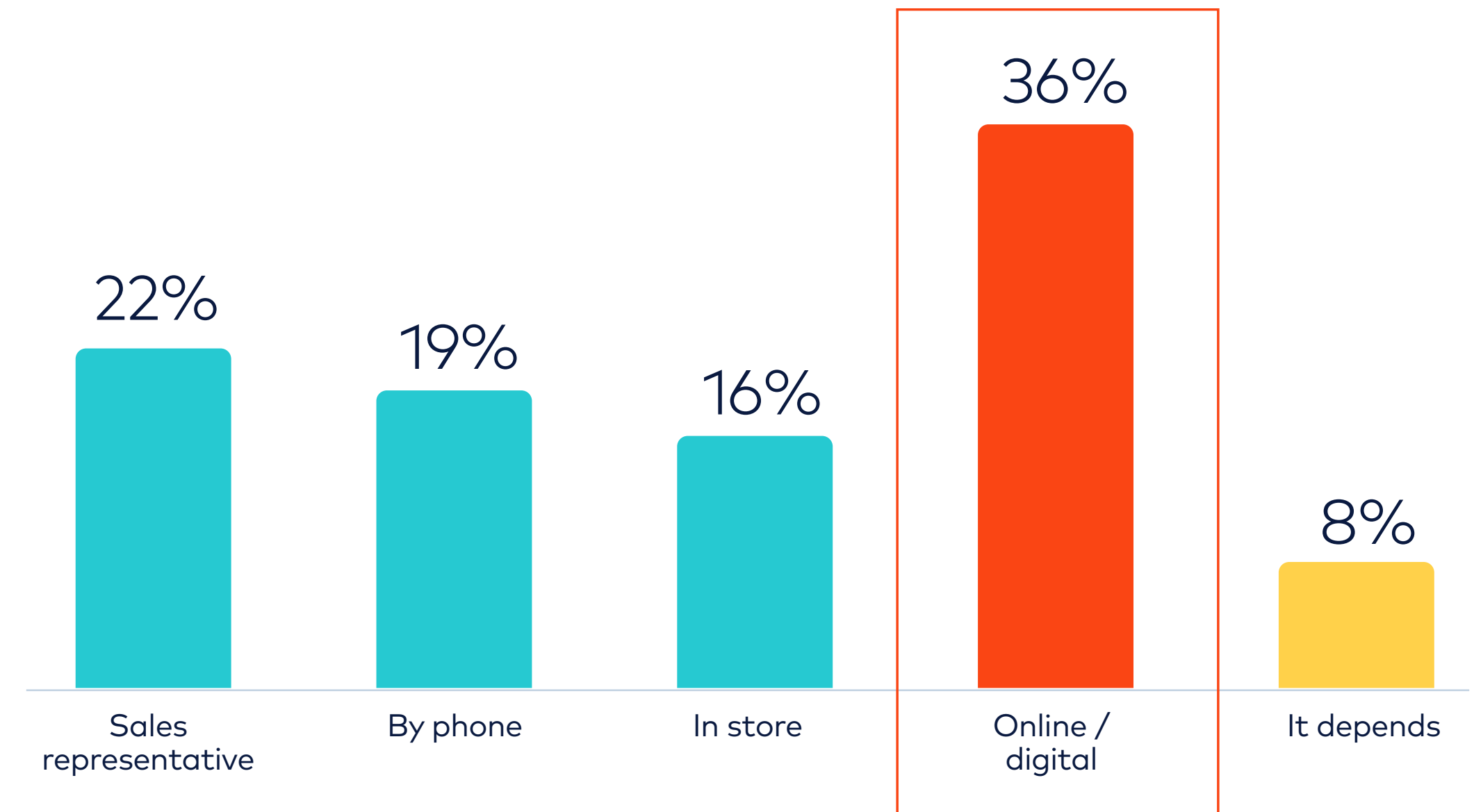
Which of the following methods for purchasing ICT solutions do you prefer?

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4 ⚷ A digital marketplace of solutions based on collaboration and co-creation

A digital marketplace is the ideal platform for serving SMBs, giving them the advantage of buying all their technology needs from a single provider while helping CSPs achieve scale and reduce cost of sales.

In recent years, CSPs have attempted to build their own digital marketplaces. They looked at the hybrid Amazon model and asked: how can I replicate this for my market and deliver technology solutions? However, the issue this creates is that the Amazon model is too product centric. CSPs became too focused on reselling unbundled technologies and services like Microsoft 365. In reality what they built were app stores, selling multiple component technologies that don't serve a cohesive purpose.

For SMBs it felt like a generic, me-too experience. They could find Microsoft 365 in many other places and were still left with the challenge of integrating and operating these services and products themselves. Disappointment was also clear among CSPs as adoption was low and so too was profitability. The only value they established was one of reseller. Rather than re-selling Microsoft 365, CSPs should have boosted their relevancy by creating and selling an 'office-in-a-box' solution for the hybrid working environment.

❚❚ I supply laptops and PCs to users with some complex manual set ups. This can be especially challenging and time consuming for users who never visit the office. A solution to manage and automate setup and rollout would help with my workload."

IT manager, Hospitality and leisure, UK

❚❚ When I think of CSPs, I think of telephone services primarily. To integrate into other areas such as devices and hardware, I would be more attracted to the offering if they collaborated with a provider with proven expertise."

Solution Architect, professional services, US

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The digital marketplace SMBs want to buy from is one that caters to their technology needs through collaboration and co-creation of solutions with an ecosystem of partners. It takes CSPs beyond the position of a reseller to that of an orchestrator, selling co-created solutions developed alongside partners. SMBs want technology providers to work together to build joint solutions to help them achieve their goals. 64% of SMBs felt this was important, 25% were on the fence, but only 10% felt it was unimportant for them.

As orchestrators, CSPs enable collaboration by bringing together specialist technology players, who often involve the SMBs themselves as they prototype the solutions. This approach promotes shared expertise between ecosystem players to unlock new capabilities and more comprehensively address the diverse business priorities of SMBs. Trialling, co-creating and cross-selling repeatable and scalable solutions is fundamental to the digital marketplace opportunity.

A digital marketplace of solutions based on collaboration and co-creation

64%

28%	36%	25%	6%	4%
5	4	3	2	1
Extremely important				Extremely unimportant
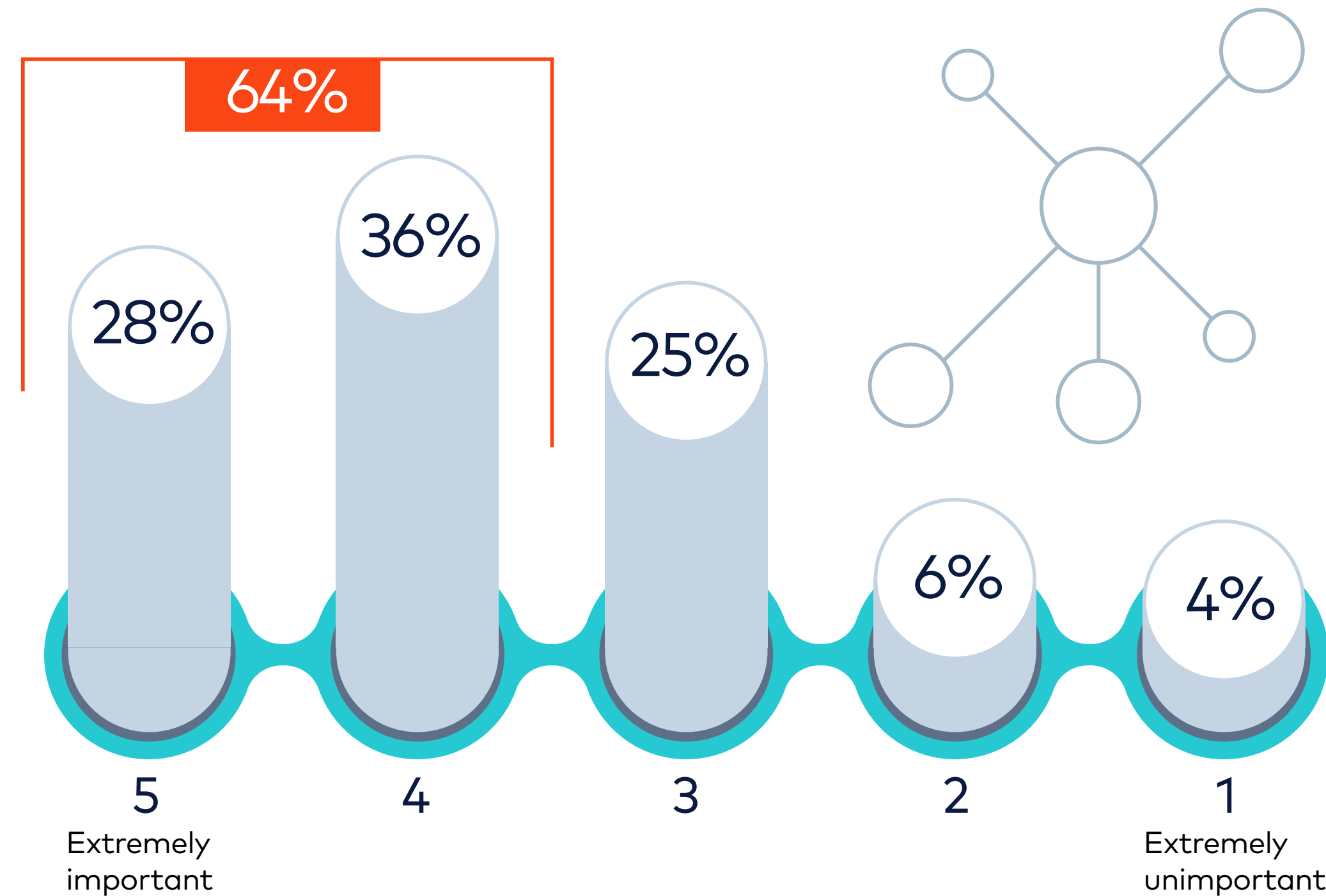
How important is it for you that ICT providers and technology players work together to build joint solutions to help you achieve your goals?

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5 ⊶ A solutions marketplace must provide gains beyond technology

As CSPs adapt to the process of developing solutions marketplaces, we looked at some of the additional benefits SMBs expect. Surprisingly, it wasn't solely related to technology. Instead SMBs expect a marketplace to act as a tool to help them grow, while also taking away the overhead challenges that come with technology adoption. These drivers map accurately against SMBs' frustrations with the status quo.

Simplified administration was a driver for 52% of SMBs. Processes such as accounting and the need to interact and pay multiple suppliers can be eliminated by a single bill. Simplified integration was a priority for just under half of SMBs (49%) who want to remove the complexity involved in adopting new technologies. The secret here is that

CSPs are not expected to become system integrators, this will only prove costly and inefficient for both CSPs and SMBs. Instead, the requirement is for CSPs to work with partners to design a solution with compatible elements and use tools like AI to achieve increased automation.

❚❚ Within our clinical system, the reporting features and elements are not fit for our purpose. They don't allow us to provide a full track of a patient's journey in the system. We currently overcome this by putting various data points through a Power Query to give us an indication. Furthermore, we could do with better APIs in our clinical system to enable text messaging, patients to undertake online bookings, cancelling via WhatsApp or other applications etc."

IT Director, healthcare, UK

❚❚ I guess at this point, I wish there was a bit more automation and ability to integrate systems with more ease."

Director, Architect firm, US

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SMBs also want to engage with digital marketplaces that offer a single point of contact for queries (46%) and for service and support issues. Finally, a reduced need to research available solutions from different suppliers (42%) indicates that a digital marketplace should be structured and promoted in a way that makes it simple for SMBs to match their needs with the solutions in the marketplace.
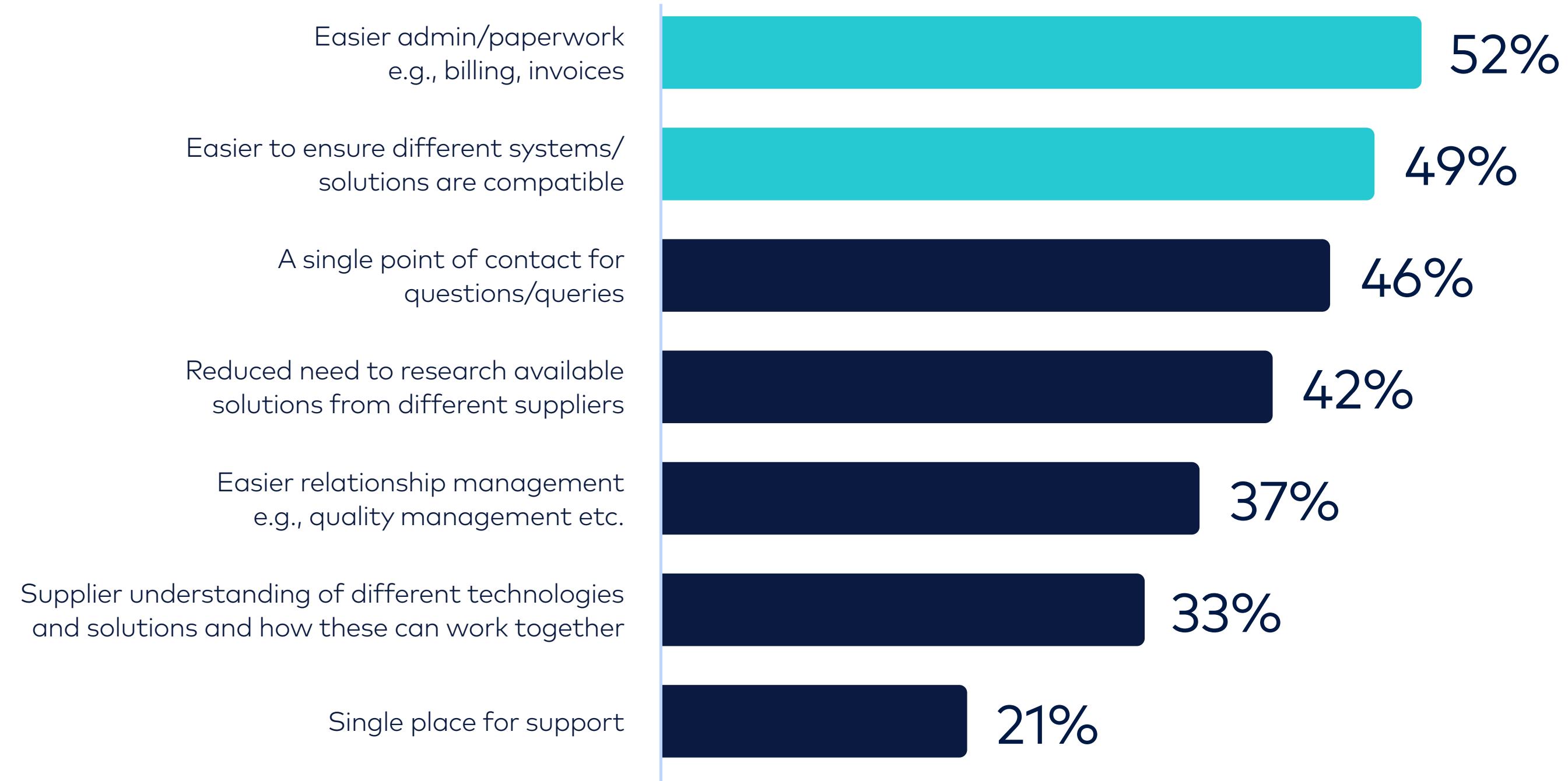
Alleviating the management headaches that working with multiple technology providers causes for SMBs, must be at the top of the priority list for CSPs. As digital marketplace owners, the responsibility falls to the CSP to make the solutions as simple to buy and consume as possible. This will help CSPs to incentivize repeat purchases with a growing pool of SMB customers.

Through simplified administration, SMBs will be more willing to purchase additional solutions. However, CSPs will have to rethink engagement with their solutions partners and how they co-create with them, expanding beyond just technology

integration to a solution creation approach. Issues such as supply chain, inventory, fulfillment, and support need to be

democratized and spread across partners to make sure CSPs operate lean and efficient solutions marketplaces.

Reasons to consider placing all ICT requirements with a single supplier

Reason	%
Easier admin/paperwork e.g., billing, invoices	52%
Easier to ensure different systems/ solutions are compatible	49%
A single point of contact for questions/queries	46%
Reduced need to research available solutions from different suppliers	42%
Easier relationship management e.g., quality management etc.	37%
Supplier understanding of different technologies and solutions and how these can work together	33%
Single place for support	21%

Why would you consider buying technology solutions from a single supplier?

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6 Customer experience should align with SMB expectations

CSPs must emphasize digital advantages when designing their digital marketplaces. Customer experience should be carefully designed with several factors in mind that incentivize SMBs to shift towards digital marketplaces for technology purchases.

Flexible pricing models and discounts (57%) topped the list of reasons why SMBs would consider using digital channels. Followed by guided journeys (43%), a greater variety of solutions (40%), offers from a trusted brand (40%) and reviews from peers (39%).

As cost-conscious businesses, it's not surprising that SMBs expect to see cost benefits from putting all their technology spend in a single place. For CSPs, it means that the focus must be on developing creative and flexible pricing models that involve more than just a price reduction. Models including, as-a-service subscriptions, tiered pricing loans, financing, loyalty points and more, should be considered as ways of encouraging SMBs to place all their technology needs with one supplier. CSPs should take the time to understand their customers' businesses and industry context to build commercial models to fit their needs.
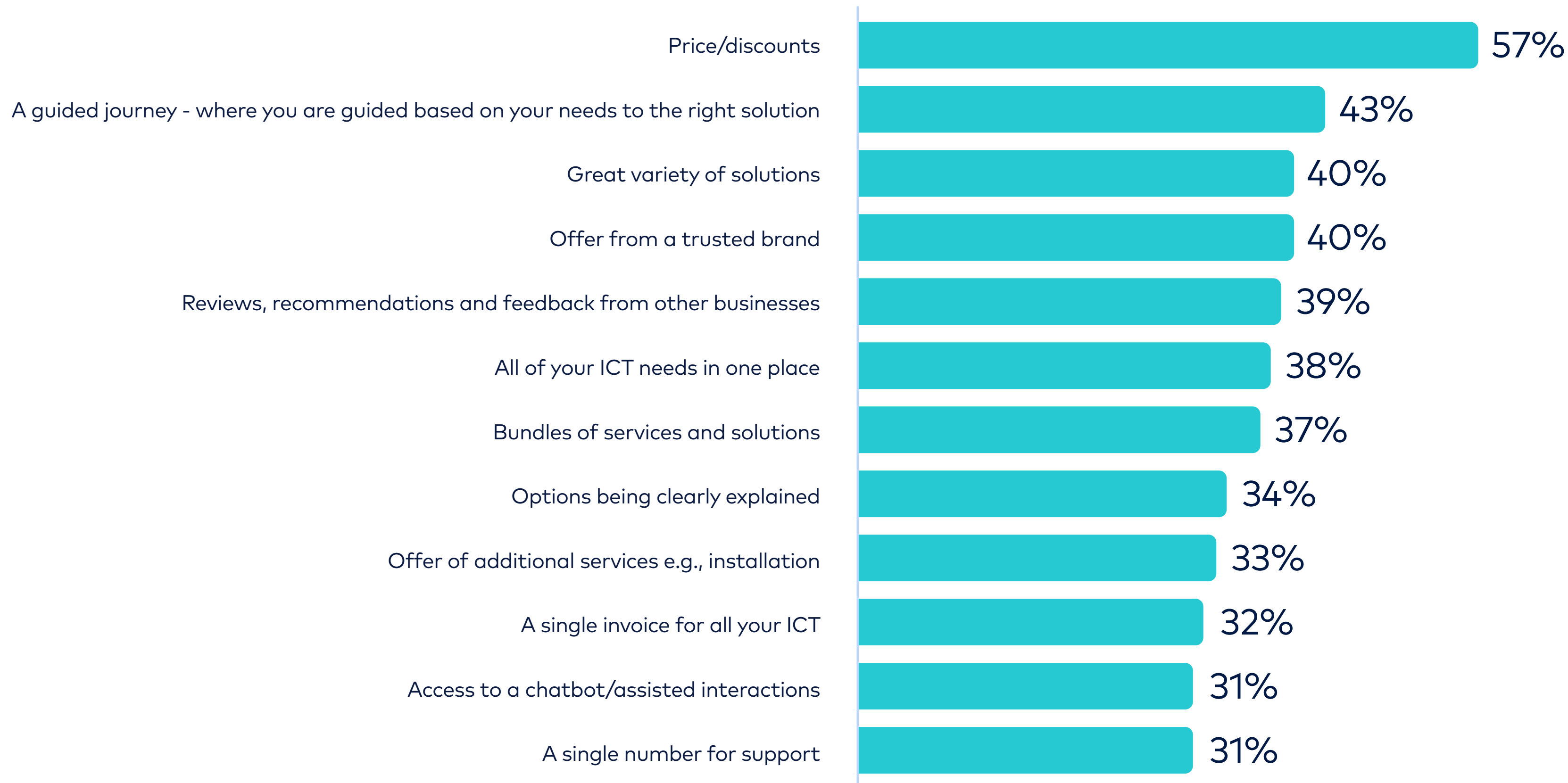
For the experience of the digital marketplace to be fully comprehensive, SMBs will need to be taken on a guided journey to match them with the right solution. Connecting buyers and sellers quickly is one of the most important criteria for a successful marketplace. CSPs should try to design a journey and use tools that help them identify SMB needs as fast as possible, marrying them with the right solutions. In doing so, CSPs guarantee SMB satisfaction, but at the same time they will benefit from improved partner relationships.

SMBs would like a variety of solutions, as they have several business priorities to address. Furthermore, they have clear preferences regarding digital marketplace layouts. They want to first explore solutions organized by sector and then evaluate solutions respective to business problems. This emphasizes the demand for a choice of solutions, and the only way CSPs can achieve this is through the orchestration of multiple partners co-creating multiple solutions.

I look for manageable cost – both up-front and total cost of ownership – a support network that consists of American personnel for compatibility of customer service, and a loyalty program."

CEO, Hospitality, US

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Features that would encourage those who prefer other methods to purchase online/digitally

Price/discounts	57%
A guided journey - where you are guided based on your needs to the right solution	43%
Great variety of solutions	40%
Offer from a trusted brand	40%
Reviews, recommendations and feedback from other businesses	39%
All of your ICT needs in one place	38%
Bundles of services and solutions	37%
Options being clearly explained	34%
Offer of additional services e.g., installation	33%
A single invoice for all your ICT	32%
Access to a chatbot/assisted interactions	31%
A single number for support	31%

What, if anything, would most encourage you to purchase technology solutions online or via digital channels?

SMBs also want to partner with trusted brands, and they put value on the importance of communities and reviews from peers. CSPs can lean back on the strength of their brands as trusted providers of technology. They hold the relationships key to unlocking value for SMBs. Finally, building a community of peers, especially one with links throughout specific sectors, ensures SMBs can evaluate solutions based on what they need most. These communities foster environments in which SMBs can share experiences, exchange information and even support each other. For CSPs, communities linked to a digital marketplace prove to be great tools for expanding their reach to other businesses in the same sectors or for identifying new opportunities for new solutions. It will require CSPs to invest in evolving their relationships with SMBs from "sell & retain" to "engage".

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SMBs have changed, now it's time for CSPs to follow

CSPs that adopt these six keys will unlock the potential of the digital marketplace and ecosystem model to start generating new SMB revenues immediately. Following the recommendations of this playbook also ensures CSPs have a viable business model to start selling to SMBs and scaling with success.

It's an opportunity they don't want to miss. But they must be quick, as SMBs want to achieve business resiliency in the face of impending economic recession. The good news for CSPs is that SMBs put a premium on this level of dedicated support and solutions.

Customized customer experience

Simultaneous problem solving

Solution based
Digital marketplace

One platform for all ICT needs

Easy to buy, simple to use

Co-creating with the ecosystem
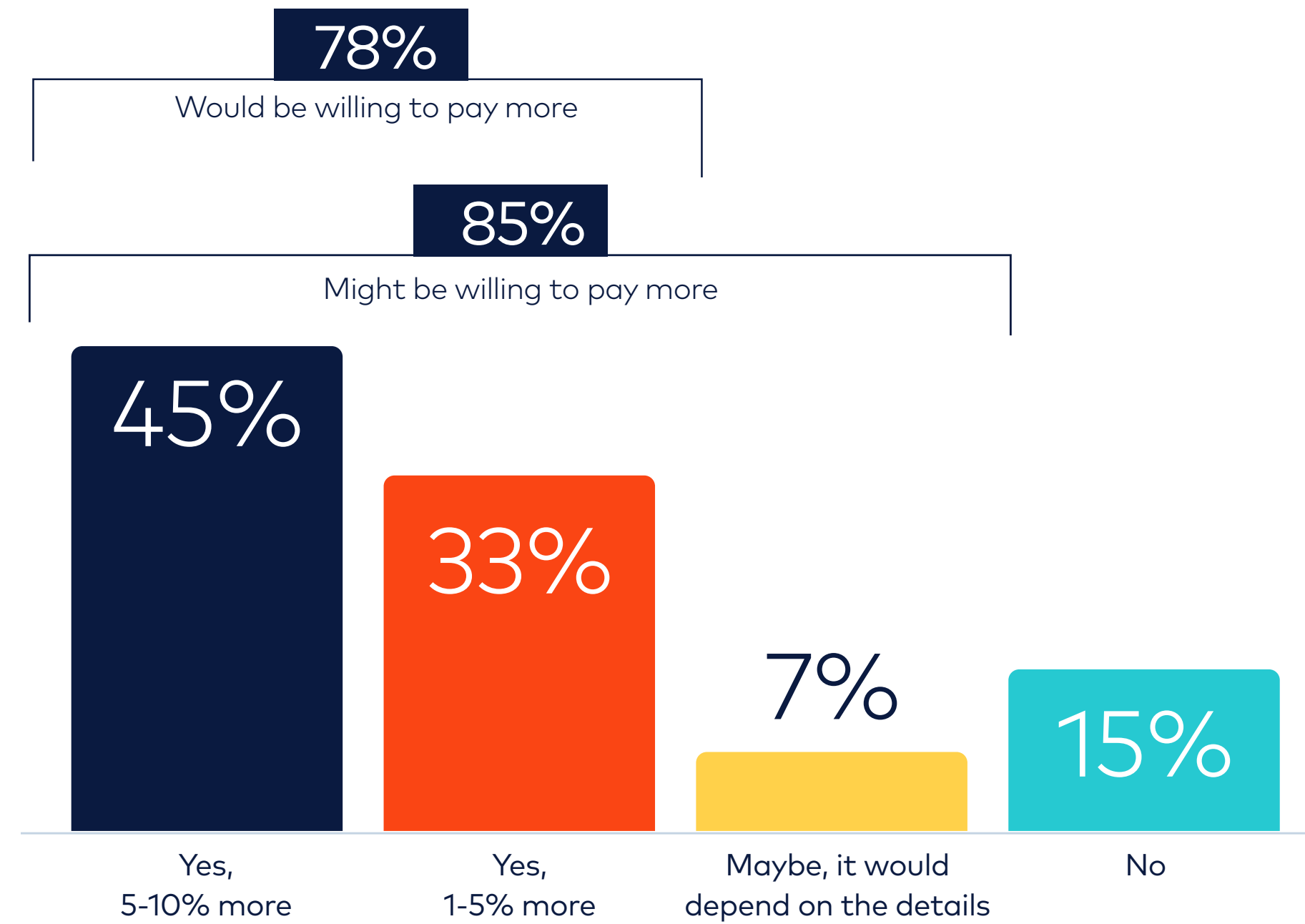
Digital Channels

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SMBs put a premium on solution based digital marketplace support

78% of SMBs would be willing to pay more for the advantages of getting all their technology needs from a single marketplace. Globally, regionally and domestically, the SMB technology market is gigantic. They spend a decent proportion of their revenues on technology, and plan to increase this investment in the short and long term. They're sophisticated technology consumers that connect technology adoption to business resiliency but in order to thrive, they need the right solutions to fit their needs and the right customer experience.

CSPs that want to create a successful SMB line of business need to grow beyond connectivity and pursue ecosystem collaboration to co-create and present a range of solutions to SMBs in a way they want to consume them. With the SMB sector representing a $1.42 trillion market opportunity for technology provision, CSPs can't afford to miss out on significant B2B revenues. With Analysys Mason also predicting just 1% growth from connectivity services, CSPs also can't afford to ignore the technology needs of SMBs.

Willingness to pay more for a single comprehensive service

78%
Would be willing to pay more

85%
Might be willing to pay more

45%
Yes,
5-10% more

33%
Yes,
1-5% more

7%
Maybe, it would
depend on the details

15%
No

If a single provider was able to offer you a service meeting all of your ICT needs in one place, would you be willing to pay more for the advantages of this service (e.g., convenience/piece of mind) vs. what you currently spend with multiple providers?

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The 'new way' for CSPs: all-encompassing technology platforms
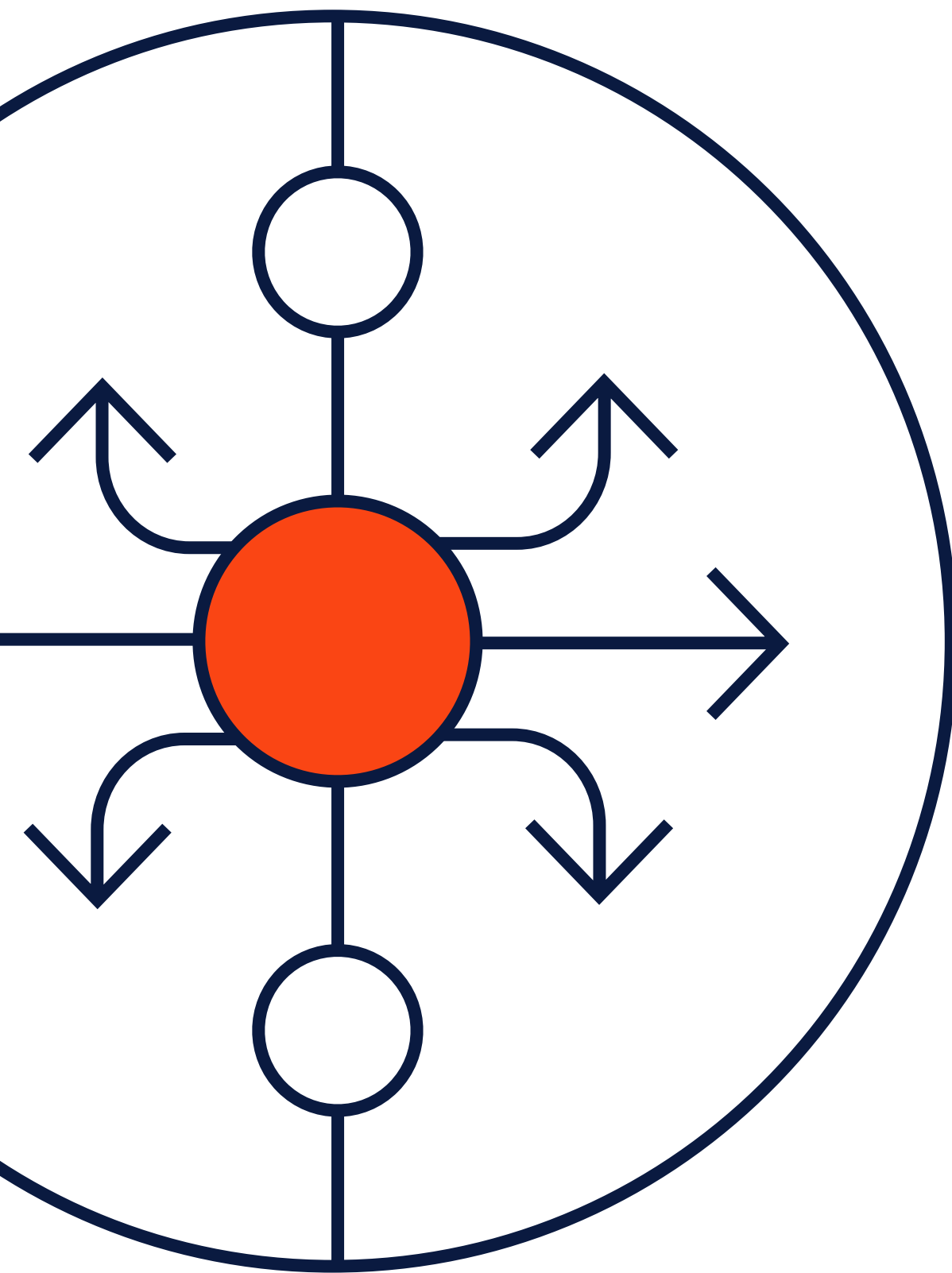
Regardless of geography, industry and sector, SMBs have common pain points that they need technology to address. But CSPs need to act with urgency to become SMB saviours. With such a lucrative market up for grabs, CSPs must develop strong partnerships through ecosystems and digital marketplaces, stimulating growth for SMBs, themselves, and their technology partners by co-creating technology solutions that address common business needs. It's a model of co-creation, co-innovation and collaboration, but also one of co-growth. As the saying goes, a rising tide lifts all boats.

Solution based digital marketplaces are an elegant solution because they solve two significant challenges when tapping into SMBs. First, that SMBs want technology solutions for specific business problems that can only be delivered via collaboration amongst multiple technology vendors,

but don't have the time or expertise to orchestrate this themselves. Second, that CSPs don't have the skills and product set to be able to meet every SMB need, but have the orchestration capabilities, platform and market access that most technology providers do not.

For this to be viable for CSPs, they too must adopt the marketplace platform concept themselves. The benefits of which help them to experiment freely with reduced risk, automate their processes and relationships with customers and partners, support great customer experiences, orchestrate ecosystems, and achieve flexible monetization and settlement models. CSPs do need help to take advantage of this situation. It is why collaborative ecosystems are so integral to the future of the telecoms industry. Faced with flatlining revenues and business models that revolve around selling

'bits and bytes', this 'new way' is a critical opportunity for CSPs to capture much needed new revenues in a lucrative market for B2B technology solutions.

It's decision time for CSPs. They act now and adapt to the digital business platform model that broadens their horizons and instigates deep organizational change by putting customer problems at the forefront of their technology solutions development. Or risk losing out on revenues to agile digital natives with skin in the game, that understand how to shape themselves and their relationships around what customers truly need.

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Methodology

This research study is based on responses from 700 decision-makers or key influencers for ICT service providers in small and medium business, across North America, Europe and Asia Pacific.

Respondents are equally represented from eight sectors including: hospitality and leisure, professional services, agriculture, manufacturing, education, healthcare, retail, and technology, media and entertainment.

Field work was concluded in August 2022 by independent research consultancy, Coleman Parkes.

About Beyond Now

Beyond Now is a fast-growing ecosystem orchestration and digital platform provider, powering organizations to launch new services at speed and grow revenue by utilizing our digital platform, digital marketplace and SaaS BSS.

Our platforms are designed to help our customers experiment, monetize and orchestrate services while taking advantage of new technologies such as cloud, edge, IoT, AI, 5G and more. We enable them to co-create solutions with a growing network of partners; bringing them closer to their customers, helping drive higher efficiency and automation, taking them further, faster, Beyond Now.
We serve customers across Asia-Pacific, Europe, Middle East, Africa and the Americas, spanning industries from telecommunications, media and entertainment, to tech and IT, financial, and automotive.

For more information, please visit: www.beyondnow.com

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in BeyondNowPlatforms